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Prime Minister's schedule, September 2

NIKKEI (Page 2) (Full)
September 3, 2008

09:31

Attended an executive meeting at party headquarters.

10:01

Attended a cabinet meeting at the Kantei. Environment Minister Saito stayed behind. Followed by Chief Cabinet Secretary Machimura.

11:00

Attended an extra Executive Council meeting at party headquarters.

11:13

Attended a commendation ceremony for those who have done distinguished services for disaster prevention.

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12:31

Met Machimura. Followed by Deputy Chief Cabinet Secretary Futahashi.

14:00

Vice Health, Labor and Welfare Minister Edogawa. Later met Machimura. Again met Edogawa.

15:28

Met Vice Foreign Minister Yabunaka.

16:05

Met Special Advisor Ito.

19:00

Met Assistant Deputy Chief Cabinet Secretary Ando at his official residence.

4) LDP to announce on Sept. 10 that it will hold presidential election on 22nd; Koike implies possibility of running

TOKYO SHIMBUN (Page 1) (Full)
September 3, 2008

The ruling Liberal Democratic Party (LDP) decided in a meeting yesterday of its presidential election administration committee to formally announce on Sept. 10 that it will hold a presidential election on Sep. 22 to choose the successor to Prime Minister Yasuo Fukuda, president of the LDP. Secretary General Taro Aso, 67, yesterday expressed in effect his intent to run in the race. However, former Secretary General Hidenao Nakagawa, who is critical of Aso's economic policy, revealed yesterday plans to field a rival candidate against Aso from among junior and mid-level lawmakers supporting the structural reform policy. The name of former Defense Minister Yuriko Koike, 56, is being mentioned as one of "reformist candidates." The LDP is now carrying out coordination with the possibility of convening the next extraordinary Diet session on Sept. 24 and to conduct a Diet vote for the prime minister the same day.

Nakagawa met yesterday with Koike and former Administrative Reform Minister Yoshimi Watanabe. After the meeting, Nakagawa revealed to the press that he would choose a candidate, focusing on Koike. He said: "We have to field someone from among the reformist group." Koike also told reporters: "Since this is a national crisis, I hope the sense of crisis will be shared among other members."

However, Chief Cabinet Secretary Nobutaka Machimura, who heads the faction to which Nakagawa and Koike belong, appearing on a commercial television program yesterday, stated: "My faction will not support somebody as a unit."

In the Yamasaki faction, meanwhile, there are calls for filing Nobuteru Ishihara, former LDP policy chief, while Akira Amari, a senior faction member and former economy, trade and industry minister, has clarified his support for Aso.

Seiko Noda, minister of state for consumer administration, told a Tokyo Shimbun reporter: "I'm honored that my name is mentioned, but I will not run in the race. I am calmly watching who will run."

5) LDP presidential election: Local chapters to let party members

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vote in presidential race; Aso set to announce campaign promises on the 8th

YOMIURI (Top Play) (Abridged slightly)
September 3, 2008

The Liberal Democratic Party (LDP) on September 2 held a meeting of the presidential election board and decided to officially announce a presidential election to choose a successor to Prime Minister Fukuda, who has announced his decision to step down, and to hold the election on the 22nd. Secretary General Aso is expected to formally declare his candidacy on the 8th and announce his campaign pledges the same day. In the meantime, former Secretary General Hidenao Nakagawa of the Machimura faction yesterday indicated his intention to field a rival candidate from the stance of following through on former Prime Minister Koizumi's structural reform policy. Since former Defense Minister Yuri Koike is showing a desire to run in the race, coordination of views will likely be made with the possibility of fielding her. Many local chapters have also decided to let party members and friends of the party vote in the presidential race.

The Aso faction yesterday held a meeting and hastily made preparations to field Chairman Aso in the race.

Aso contested with Fukuda in the presidential election last September. He took office as secretary general in the shuffle of the party leadership this August. Aso has been seen as a potential candidate to succeed Fukuda because of his popularity among the public. Regarding economic policy, he is known as an advocate of positive public spending.

Nakagawa, who takes a different stance from Aso over economic policy, yesterday met with a number of persons in Tokyo, including former State Minister for Administrative Reform Yoshimi Watanabe, who does not belong to any faction, and former Chief Cabinet Secretary Yasuhisa Shiozaki of the Koga faction. After a series of talks, Nakagawa told reporters, "We must field someone from among the reformists. We have yet to designate our candidate." He presumably made this statement with the fielding of Koike in mind.

Prior to this, Koike told reporters in Tokyo, "It is most important for presidential candidates to pursue policy debate."

Some mid-ranking and junior lawmakers are recommending Nobuteru Ishihara, former Policy Research Council Chairman, of the Yamasaki faction. Others are seeking State Minister for Economic and Fiscal Policy Yosano, who gives priority to fiscal reconstruction, to announce his bid for LDP presidency.

The LDP presidential election will be contested with 528 votes -- 304 votes from Lower House members, 83 votes from Upper House members, three votes from each local chapter. The General Council will formally decide on the 3rd a timetable for the presidential election. The party headquarters will accept notifications on candidacy for 30 minutes starting on 11:00 a.m. A new president will be elected in the voting by Lower and Upper House members and representatives of each local chapter at the general assembly of LDP lawmakers from both Diet chambers.

6) 22 prefectural chapters back Aso in LDP race

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TOKYO SHIMBUN (Page 2) (Abridged)
September 3, 2008

Kyodo News yesterday conducted an emergency survey of the ruling Liberal Democratic Party's local chapter executives across the nation. The secretaries general and other executives of 22 LDP prefectural federations, including the one in Fukuoka Prefecture, answered that they would support LDP Secretary General Taro Aso as the successor to Prime Minister Fukuda (LDP president). Meanwhile, 25 LDP prefectural federations-more than half-answered that they were undecided, or gave no answer. "All the candidates have yet to show up," one of the LDP's Mie prefectural federation said. As seen from this response, they are assuming a wait-and-see attitude.

Aso, currently in the post of LDP secretary general, ran for the party's presidency in September 2007 and made a good show. He is therefore well known among his party's local executives.

Some of the LDP's prefectural federations named Aso as the first and foremost candidate but also cited the names of other candidates. One LDP local executive in Shiga Prefecture said, "When we think of the election for the House of Representatives, it's also good that there are two female lawmakers, former Defense Minister Yuriko Koike and State Minister for Consumer Affairs Seiko Noda."

"Mr. Aso has been talking about economic issues," a supporter of Aso in Ibaraki Prefecture said. Another supporter of Aso in Yamaguchi Prefecture said, "He has served in important cabinet ministerial posts and the LDP's three top posts, so he's familiar with all aspects."

7) 23 LDP prefectural chapters want Aso to become next prime minister

ASAHI (Page 1) (Full)
September 3, 2008

Following Prime Minister Fukuda's announcement of his intention to step down, the Asahi Shimbun interviewed senior members of the Liberal Democratic Party's 47 prefectural branches yesterday. Of them, 23 chapters expressed hope that Secretary General Taro Aso will become the next prime minister. Asked about the appropriate timing for the next House of Representatives election, 26 chapters cited sometime next spring or afterward, showing that many remain cautious about an early dissolution of the Lower House.

Among those that supported Aso are Iwate, Ibaraki, Saitama, Aichi, Hyogo, Fukuoka, and Nagasaki. Asked why, some chapter members expressed hope for his ability to manage the government, given the current politically divided Diet situation. An Ishikawa prefectural member replied: "He is winning wide-ranging public support;" and an Okinawa chapter member said: "He is capable of demonstrating leadership." Focusing on Aso's positive stance about disbursing government funds, a Hiroshima chapter member said: "He is expected to take measures to buoy up the economy," and a Gifu member remarked: "He knows much about local circumstances."

In reply to a question about the timing for the next Lower House election, eight chapters, including Nagano, Okayama, and Ehime, said that the election should be carried out as soon as possible, with some citing sometime during the upcoming extraordinary Diet session, as a Fukui member said: "A new prime minister will win high public

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support temporarily." Meanwhile, 12 prefectural branches, including Osaka, Yamaguchi, Kagawa, and Kumamoto, mentioned around next April or May after the fiscal 2009 budget bill clears the Diet, with a Hokkaido member citing this reason: "We would like to see the government steadily implement measures to remove public concerns next fiscal year, too." As demonstrated by the reply by a Shizuoka member that "a sense of distrust in the LDP is strong in local areas," 12 prefectural branches, including Aomori, Tokyo, Tottori, and Oita, suggested that the election should be delayed until all Lower House members' terms of office expire next September.

8) LDP presidential race: Some LDP forces decide to field candidates to vie with Aso; Voting set for Sept. 22; Coordination underway for prime ministerial election on Sept. 24

MAINICHI (Top play) (Abridged slightly)
September 3, 2008

The Liberal Democratic Party decided yesterday to formally announce the presidential race on Sept. 10 and carry out voting on Sept. 22 to determine the successor to Prime Minister Yasuo Fukuda, who is LDP president. Former Secretary General Hidenao Nakagawa, who is at odds with Secretary General Taro Aso over economic policy, held talks with former Defense Minister Yuriko Koike, who has expressed a willingness to run in the race, former Policy Research Council Chairman Nobuteru Ishihara and others. They confirmed that they would field a cross-factional candidate to vie against Aso. They will begin selection work later this week.

In the wake of the determination of the LDP presidential election timetable, the LDP and New Komeito have begun coordination with the opposition bloc for convening the next extraordinary Diet session on Sept. 24 and immediately carrying out the prime ministerial election in the two Diet chambers that day.

Nakagawa said to the press corps: "We must field a successor to the Koizumi reform initiative." Besides Koike and Ishihara, Nakagawa also met with former Administrative Reform Minister Yoshimi Watanabe and former Chief Cabinet Secretary Yasuhisa Shiozaki.

After the series of meetings, Nakagawa said to reporters: "Some indicated that we must field a reformist. They stopped short of naming any specific names." Nakagawa pointed to a plan to expedite coordination for coming up with an appropriate candidate.

Last night, Nakagawa also met with former Prime Ministers Yoshiro Mori and Shinzo Abe.

Acting in concert with Nakagawa's move, the young lawmakers' cross-factional group called the Project Nihon Fukkatsu (Restoration of Japan) confirmed at its meeting last night: (1) to field several candidates, and (2) not to turn the presidential election into a faction-oriented one.

Diet Affairs Committee Chairman Tadamori Oshima yesterday afternoon informed the four opposition parties of the ruling coalition's decision to retract the initial plan to convene the extra Diet session on Sept. 12.

LDP and New Komeito secretaries general, policy chiefs, and Diet chiefs met later on to exchange views on a new timetable for convening the session and responses to the Diet. They agreed to get

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Diet approval for the supplementary budget, according to an attendant.

9) Some LDP forces trying to field candidate, such as Koike, to vie with Aso in presidential race

NIKKEI (Top play) (Abridged slightly)
September 3, 2008

Moves to choose the successor to Prime Minister Yasuo Fukuda, who announced his resignation yesterday, are now in full swing in the Liberal Democratic Party. Secretary General Taro Aso, who has announced his candidacy for the LDP presidency, has kicked off an effort to win support beyond factional boundaries. Meanwhile, forces making a clear distinction with Aso's proactive fiscal-policy line have been accelerating moves to field former Defense Minister Yuriko Koike to vie with Aso. There is a strong likelihood that Aso and a rival candidate will run against each other in the LDP presidential election Sept. 22.

Coordination is underway to convene the next extraordinary Diet session on Sept. 24. LDP and New Komeito secretaries general and others decided yesterday to: (1) discuss coalition talks ahead of the prime ministerial election, and (2) discuss a bill extending the refueling mission in the Indian Ocean and a bill establishing a Consumer Affairs Agency throughout the LDP presidential campaign

period.

The LDP Presidential Election Administration Committee met yesterday and decided to formally announce the election on Sept. 10 and carry out voting and vote-counting on Sept. 22. Diet Affairs Committee Chairman Tadamori Oshima informed the opposition bloc yesterday of a decision to postpone the convocation of the extra Diet session, initially planned for Sept. 12. The government and ruling coalition plan to finish the prime ministerial elections in the two Diet chambers and forming the new cabinet on the day the Diet session is convened.

Although Aso is still regarded as the front runner in the race, his party footing is not rock-solid, for his faction has only 20 members. The faction has begun calling on party members with the aim of garnering the support of at least 20 lawmakers, the number needed to stand as a candidate.

General Council Chairman Takashi Sasagawa, appearing on an NHK program last night, said: "From a common sense viewpoint, Secretary General Aso will be elected." Such members as former METI Minister Akira Amari and Fiscal and Economic Policy Minister Kaoru Yosano of the Yamasaki faction are also proactively supporting Aso. There are expectations for Aso in the New Komeito, as well.

Mid-level and young lawmakers advocating the continuation of the Koizumi reform policy course met several times yesterday. Fifteen lawmakers attended a night meeting in which they decided to field a young candidate against Aso to promote the reform policy.

Former Secretary General Hidenao Nakagawa, a major proponent of the theory placing high priority on spending cuts and economic growth, met yesterday with Koike in Tokyo, and they analyzed the situation in the party. Nakagawa also held talks with former Chief Cabinet Secretary Yasuhisa Shiozaki and former Administrative Reform Minister Yoshimi Watanabe. The group advocating economic growth is

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fixated on fielding its own candidate against Aso, who is eager to advance a fiscal policy line, has a power struggle element with an eye on the next administration.

Chief Cabinet Secretary Nobutaka Machimura made this comment on a TBS program yesterday: "We will not single out any group. We will leave the matter to the good judgment of each member." Former Prime Minister Shinzo Abe and others are expected to throw their support behind Aso. Taking a united action seems difficult for the Machimura faction.

Serving as the "face" of the next Lower House election carries weight in selecting candidates. There is a move in the Yamasaki faction to field former Policy Research Council Chairman Nobuteru Ishihara. But Amari and others in the faction are backing Aso. Whether the faction members can rally around Ishihara is still uncertain.

Yosano and Consumer Administration Minister Seiko Noda made it clear yesterday that they would not run in the race.

10) Lower House most likely to be dissolved for election by year's end after compilation of supplementary budget: LDP election on the 22nd; Move to field Koike seen

ASAHI (Top Play) (Excerpts)
September 3, 2008

Following Prime Minister Fukuda's resignation announcement, a call for dissolving the Lower House for a snap election before year's after passage of a supplementary budget bill, which includes a set of economic stimulus measures, in the fall extraordinary Diet session gained ground in the Liberal Democratic Party (LDP) and the New Komeito. The LDP has also adopted a timetable for formally announcing its presidential election on the 10th and holding the election on the 22nd. There is a move to field former Defense Minister Yuriko Koike as an opponent to Secretary General Taro Aso.

Commenting on the timing for dissolution of the Lower House, New Komeito President Ota, who has called for dissolution of the Lower House during the year change period, told reporters on September 2: "The ruling parties are responsible for people's lives. We must first gain confidence of the people, by firmly realizing a comprehensive economic stimulus package." He thus indicated his view that it would be desirable to dissolve the Lower House after passage of a supplementary budget bill.

Commenting on the timing for dissolution of the Lower House, Election Committee Chairman Makoto Koga, who is responsible for election affairs in the LDP, on a TV program gave three possible cases: (1) at the outset of the extraordinary Diet session; and (2) after passage of a supplementary budget bill in the extraordinary Diet session.

Secretaries general, policy research council chairmen and Diet Affairs Committee chairmen of the LDP and the New Komeito yesterday evening met in the Diet and confirmed their stance of giving priority to deliberations on a supplementary budget bill in the upcoming extraordinary Diet session. The government and the ruling parties have agreed on a supplementary budget draft worth 1.8 trillion yen. The budget bill is certain to obtain Diet approval with by a majority vote of members of the ruling parties, because

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priority is given to a decision reached in the Lower House. If the Lower House is to be dissolved after that, the following scenario can be anticipated: (1) dissolution in October and general election in November; or (2) dissolution in November and general election in December.

The prime minister has the authority to decide when to dissolve the Lower House. However, opinions in the ruling camp are bound to affect his decision. Some LDP members take the view that if cabinet approval ratings surge as a result of a replacement of the prime minister, the prime minister should dissolve the Lower House at the outset of the extraordinary Diet session, riding on the back of the new cabinet's popularity. In the event that the new prime minister sticks to the enactment of a consumer agency establishment law and an extension of the law governing the MSDF refueling operation in the Indian Ocean, policies inherited from Fukuda, extending the term of the extraordinary Diet session would be inevitable. In that case, the timing for dissolving the Lower House could be delayed until early in the new year.

11) Fukuda refuses impromptu interviews with reporters, saying: "I don't want to create useless noise"

ASAHI (Page 4) (Full)
September 3, 2008

Prime Minister Fukuda announced yesterday through his secretary that he would not respond during his remaining term of office to impromptu interviews with reporters that have continued every day since he became prime minister. Fukuda was quoted as saying: "Since I announced my decision to step down, I should not make unnecessary noise."

The prime minister has responded to impromptu interviews twice a day in principle. Fukuda said that if such emergencies as major disasters, incidents, or accidents occur, he will respond to questions by reporters. But the group of reporters assigned to the Cabinet Office has asked for such interviews to be continued.

In a cabinet ministerial meeting yesterday, Fukuda said: "I would like all the cabinet ministers to properly deal with state affairs to the end," but he has abandoned his accountability, in a sense.

12) Diplomatic vacuum may be created

YOMIURI (Page 2) (Full)
September 3, 2008

With Prime Minister Fukuda's abrupt announcement of his decision to step down, a vacuum in the diplomatic timetable will inevitably be

created. The Foreign Ministry has already rescheduled a Japan-China-South Korea summit initially set for Sept. 21. It is also uncertain whether the Japanese prime minister will be able to attend the United Nations' annual assembly for the first time in three years. There might also be some effect on Japan's response to North Korea and an extension of the Maritime Self-Defense Force's refueling mission in the Indian Ocean.

On Japan's policy toward North Korea, Chief Cabinet Secretary Machimura emphasized in a press conference yesterday: "No matter who becomes prime minister, the issue of Japanese nationals abducted by North Korean agents will continue to be high on the diplomatic

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agenda." But since North Korea will carefully scrutinize the next prime minister's diplomatic approach, a senior Foreign Ministry official said: "North Korea might delay the start of reinvestigating the abducted as it promised.

13) No prospects in sight for MSDF refueling mission, consumer agency

YOMIURI (Page 4) (Abridged)
September 3, 2008

As a consequence of Prime Minister Fukuda's sudden announcement of resignation, there are now no prospects in sight for the Diet to pass critical legislation the government had planned to present at the forthcoming extraordinary session.

Chief Cabinet Secretary Machimura, meeting the press yesterday morning, cited such policy agenda items as a bill revising the new Antiterrorism Special Measures Law to continue the Maritime Self-Defense Force's refueling activities in the Indian Ocean, a package of bills related to establishing a consumer agency, and the supplementary budget for fiscal 2008 featuring a package of economic stimulus measures. "Whoever may become prime minister," Machimura said, "these policy tasks cannot be avoided." With this, he indicated that the Fukuda cabinet's policy of passing these bills at the extra Diet session would be handed over to a successor.

In point of fact, however, the government and ruling parties are giving priority now to electing Fukuda's successor. The extra Diet session, initially scheduled to be called Sept. 12, is now expected to be considerably delayed. As it stands, the government and ruling parties cannot expect to pave the way for these accomplishing these policy tasks.

The MSDF is currently tasked with refueling activities in the Indian Ocean under the new Antiterrorism Special Measures Law, which is set to run out in January next year. The government plans to introduce a bill revising the law to continue the MSDF's refueling mission there. However, the leading opposition Democratic Party of Japan (Minshuto) is opposed to the plan. The New Komeito, the ruling Liberal Democratic Party's coalition partner, remains reluctant to take a second vote in the House of Representatives on the bill to override the opposition-dominated House of Councillors' possible rejection of it.

"We will continue to emphasize the importance of fighting against terrorism and will make efforts to deepen public understanding," Defense Minister Hayashi told a press conference yesterday, underscoring his stance of trying to obtain cooperation from the opposition parties and the public on the government's plan to continue the MSDF's refueling mission in the Indian Ocean.

Hayashi was scheduled to meet with U.S. Secretary of Defense Gates in early September, but he has now canceled the meeting in the wake of Fukuda's announcement of his resignation. In the scheduled meeting, Hayashi was to tell Gates that Japan will continue to contribute to the war on terror through the MSDF's refueling activities.

The LDP and the New Komeito will hold a meeting of their project team today to enter into coordination over the government-planned bill to revise the antiterror law. However, it will not be easy to

close the gap in views between the two parties.

14) DPJ wary of being forgotten

TOKYO SHIMBUN (Page 2) (Abridged)
September 3, 2008

The ruling Liberal Democratic Party's presidential election, which is to pick Prime Minister Yasuo Fukuda's successor, is now certain to take place along with the leading opposition Democratic Party of Japan's presidential election, which will be officially announced Sept. 8 with its voting set for Sept. 21. The LDP and the DPJ will now likely hold double elections for their presidencies. DPJ President Ichiro Ozawa, however, is expected to be elected for a third term unopposed. Some DPJ lawmakers are concerned that their party's presidential election might be forgotten if the LDP has a presidential race with multiple candidates. However, the DPJ is trying to dispel that impression by preparing itself for a snap election for the House of Representatives.

Asked about the LDP's presidential election schedule, DPJ Secretary General Yukio Hatoyama said yesterday: "They're trying to do it at the same time, I think. We can hold our presidential election in a calm manner."

There is a sense of crisis among DPJ lawmakers. "All eyes may be on the LDP (race) and their (LDP) support rate may go up," said Azuma Koshiishi, chairman of the DPJ's caucus in the House of Councillors. In the DPJ, however, there are no moves to field any other candidates against Ozawa.

15) DPJ deprived of opportunities to demonstrate its presence:
Concern about facing harsh election

MAINICHI (Page 3) (Abridged slightly)
September 3, 2008

The Democratic Party of Japan (DPJ or Minshuto) intended to go on the offensive against the Liberal Democratic Party (LDP)-New Komeito administration in pursuit of early Diet dissolution for a snap election. However, it is now certain that President Ichiro Ozawa will be elected for a third term without a contest in the presidential election to be officially announced on September 8 and held on the 21st. The convocation of the next extraordinary Diet session will now be postponed until after the LDP presidential election. Under such circumstances, the DPJ finds itself in a situation where it can only wait and see who wins the LDP presidential election. There will be no occasions in the foreseeable future for it to be able to make a public appeal regarding its political presence. It can only diligently stage campaigns for candidates in each constituency.

Secretary General Yukio Hatoyama on a radio talk show on September 2 said, "They have chosen a timing that coincides with our presidential election." He seemed alarmed that the presence of the DPJ might be overshadowed.

As a countermeasure, Hatoyama gave a pep talk to DPJ members, noting: "We will start preparing for the election by swiftly choosing candidates who will run in the race on the DPJ ticket. The Lower House may be dissolved in September." He also indicated that if Aso replaced Prime Minister Fukuda, cabinet approval ratings

might rise, forcing the DPJ to face a tough election.

Public Relations Committee Chair Yoshihiko Noda, who had taken the view that the contents of a manifesto for the next Lower House election should be strengthened through policy debate, had to give up his plan to run in the presidential election since the leadership is giving priority to the Lower House election instead of to the party's own election. Some junior lawmakers now regret this move,

noting that the DPJ should have also held a real presidential election.

DPJ lawmakers on the evening of the 2nd made campaign speeches in downtown Tokyo. They raised their voices in vain, "You can entrust the reins of government to the DPJ."

ZUMWALT